

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA

Title III

No. 17-BK-3283-LTS

(Jointly Administered)

PROMESA

Title III

No. 17-BK-4780-LTS

(Jointly Administered)

**SECOND URGENT MOTION OF THE FINANCIAL OVERSIGHT
AND MANAGEMENT BOARD FOR PUERTO RICO REQUESTING
EXTENSION OF FILING DEADLINE THROUGH DECEMBER 16, 2022,
AUTOMATICALLY EXTENDABLE THROUGH DECEMBER 21, 2022, FOR
SUBMISSION OF PREPA PLAN OF ADJUSTMENT, DISCLOSURE
STATEMENT, & RELATED MOTIONS**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19- BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Honorable United States District Court Judge Laura Taylor Swain:

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as sole Title III representative of the Puerto Rico Electric Power Authority (“PREPA” or the “Debtor”), pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² respectfully submits this urgent motion for entry of an order, substantially in the form attached hereto as Exhibit A (the “Proposed Order”), extending the deadline set forth in the *Order (A) Granting in Part and Denying in Part Urgent Motion of Financial Oversight and Management for Board for Order (I) Establishing Schedule to Continue Negotiations During Litigation of Gating Issues Pursuant to Litigation Schedule and (II) Granting Related Relief and (B) Staying Certain Motions Filed by PREPA Bondholders* [Case No. 17-4780, ECF No. 3013]³ (the “Scheduling Order”), as subsequently extended by [ECF No. 3092] and [ECF No. 3106], with respect to the submission of a proposed plan of adjustment for PREPA, corresponding disclosure statement, and related motions and documentation (collectively, the “PREPA Plan & Related Documents”) from December 13, 2022 (the “Filing Deadline”) through 11:59 p.m. (AST) Friday December 16, 2022, subject to an automatic extension through 11:59 p.m. (AST) Wednesday December 21, 2022 if on Friday December 16, 2022 the Oversight Board advises the Mediators and Bondholders’ attorneys it would make a material movement in its position.

Urgent Motion

1. The Oversight Board continues to be ready and willing to file the PREPA Plan & Related Documents, and has been prepared to do so by the initial Filing Deadline of December 1,

² PROMESA is codified at 48 U.S.C. §§ 2101-2241.

³ Unless otherwise stated, all ECF Nos. shall refer to the docket in Case No. 17-4780.

2022. After continued conversations with the Mediation Team and parties to the mediation, however, the Oversight Board is requesting an additional three day extension of the Filing Deadline, automatically extendable to nine days, to facilitate the ongoing mediation. Whenever the Oversight Board files its proposed PREPA Plan, it will continue to negotiate outstanding disputes with all classes which have not settled.

2. There had been a problem with the Board's production of some documents from an independent third party and following a series of meetings, including an in-person mediation today, it became clear the problem delayed the parties' abilities to evaluate whether changes in their position are warranted in connection with one of the issues separating the parties. The Oversight Board believes an extension will allow the parties to take the time to determine whether the information is meaningful or not in the context of all relevant issues in terms of encouraging changes in position before the Oversight Board files a proposed plan. If the Oversight Board determines the documents provide meaningful data that warrants a material change in its position, it will advise the Mediators and Bondholders' attorneys of that determination by 7 p.m. (AST) Friday December 16, 2022. The Oversight Board is authorized to disclose that if it makes that determination, the Mediators have advised it they will provide the parties a Mediators' proposal on or before 7 p.m. (AST) Monday December 19, 2022 and will facilitate discussions through Wednesday December 21, 2022. That is the reason for requesting an automatic extension of the deadline for filing the proposed plan and disclosure statement. Some parties believe settlement may be more attainable without a proposed plan on file.

3. The Oversight Board has been advised the Bondholders consent to extensions of the 'blowout time' for material, nonpublic documents through each actual extension of the deadline for filing the proposed plan of adjustment and disclosure statement.

4. Accordingly, the Oversight Board respectfully requests a three day extension of the Filing Deadline through 11:59 p.m. (AST) December 16, 2022, which extension shall automatically extend through 11:59 p.m. (AST) Wednesday December 21, 2022 if the Oversight Board advises the Mediation Team and Bondholders' attorneys by the Friday deadline that the Oversight Board would make a material change in position. The confirmation hearing will continue to be targeted for July 2023. All other deadlines should remain in place, including the deadlines associated with the adversary proceeding captioned *The Financial Oversight and Management Board for Puerto Rico v. U.S. Bank Nat'l Ass'n*, Adv. Proc. No. 19-00391 (D.P.R. July 1, 2019).

Case Management Procedures

5. Pursuant to Paragraph III.W of the *Sixteenth Amended Notice, Case Management and Administrative Procedures* [ECF No. 20190] (the “Case Management Procedures”), under the discretion provided to the Court by Bankruptcy Rule 9006(b), and to forestall the need for a bridge order, the filing of this motion to extend automatically extends the Filing Deadline until the Court acts on the motion, without the necessity for the entry of a bridge order.

6. Pursuant to Paragraph 1.H of the Case Management Procedures, the Oversight Board certifies it has carefully examined the matter and concluded there is a true need for an urgent motion; it has not created the urgency through any lack of due diligence, and has made reasonable, good-faith communications in an effort to resolve or narrow the issues being brought to the Court.

Notice

7. Notice of this Motion will be provided by facsimile, electronic mail transmission, regular mail and/or hand delivery to the following parties: (a) the Office of the United States Trustee for the District of Puerto Rico; (b) the indenture trustees and/or agents, as applicable, for

bonds issued by PREPA; (c) counsel for the Ad Hoc Group of PREPA Bondholders;⁴ (d) counsel for Assured Guaranty Corp. and Assured Guaranty Municipal Corp.; (e) counsel for National Public Finance Guarantee Corp.; (f) counsel for Syncora Guarantee Corp.; (g) counsel for Unión de Trabajadores de la Industria Eléctrica y Riego, Inc.,; (h) counsel for Sistema de Retiro de Empleados de la Autoridad de Energía Eléctrica; (i) the entities on the list of creditors holding the 20 largest unsecured claims against PREPA; (j) the statutory committees appointed in any of the Title III cases; (k) the Office of the United States Attorney for the District of Puerto Rico; (l) counsel to AAFAF; (m) the Puerto Rico Department of Justice; (n) the United States Securities and Exchange Commission; (o) all parties filing a notice of appearance in this Title III case. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

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⁴ As of April 20, 2022, the Ad Hoc Group of PREPA Bondholders comprised (i) BlackRock Financial Management, Inc., (ii) Franklin Advisers, Inc., (iii) GoldenTree Asset Management, L.P., (iv) Invesco Advisers, Inc., (v) Nuveen Asset Management, LLC, (vi) Taconic Capital Advisors, L.P., and (vii) Whitebox Advisors, LLC. See ECF No. 2782.

WHEREFORE the Debtor respectfully requests entry of the Proposed Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting it such other relief as is just.

Dated: December 13, 2022
San Juan, Puerto Rico

Respectfully submitted,

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*Co-Attorney for the Financial Oversight and
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Exhibit A

Proposed Order

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

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PUERTO RICO ELECTRIC POWER AUTHORITY,

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PROMESA

Title III

No. 17-BK-3283-LTS

(Jointly Administered)

PROMESA

Title III

No. 17-BK-4780-LTS

(Jointly Administered)

RE: ECF No. 3013

**[PROPOSED] ORDER GRANTING SECOND URGENT
MOTION OF THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO
REQUESTING EXTENSION OF FILING DEADLINE TO
DECEMBER 16, 2022 AUTOMATICALLY EXTENDABLE THROUGHT DECEMBER
21, 2022 FOR SUBMISSION OF PREPA PLAN
OF ADJUSTMENT, DISCLOSURE STATEMENT, & RELATED MOTIONS**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19- BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Upon the *Second Urgent Motion of the Financial Oversight and Management Board for Puerto Rico Requesting Extension of Filing Deadline to December 16, 2022 for Submission of PREPA Plan of Adjustment, Disclosure Statement, & Related Motions* [Case No. 17-3283, Docket Entry No. ____; Case No. 17-4780, Docket Entry No. ____] (the “Extension Motion”);² and the Court having found that the relief requested in the Extension Motion is in the best interests of the Debtor; and the Court having found that the Debtor provided adequate and appropriate notice of the Extension Motion under the circumstances and that no other or further notice is required; and the Court having reviewed the Extension Motion; and the Court having determined that the factual bases set forth in the Extension Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The requested relief in the Extension Motion is granted as set forth herein.
2. The December 13, 2022 deadline set forth in [ECF No. 3106] for the Oversight Board to file a proposed plan of adjustment for PREPA, corresponding disclosure statement, and related motions is extended through 11:59 p.m. (AST) December 16, 2022, which, in turn, shall be automatically extended through 11:59 p.m. (AST) Wednesday December 21, 2022 if the Oversight Board advises the Mediation Team and the Bondholders’ attorneys by 11:59 p.m. (AST) Friday December 16, 2022 that it would make a material change in position.
3. The proposed confirmation schedule shall contemplate a confirmation hearing in July 2023. This Order does not amend any litigation deadlines.
4. This Order resolves Docket Entry No. _____ in Case No. 17-3283 and Docket Entry No. _____ in Case No. 17-4780.

² Capitalized terms used but not otherwise defined herein have the meanings given to them in the Extension Motion.

Dated: _____, 2022
San Juan, Puerto Rico

Laura Taylor Swain
United States District Court Judge